



Contingency Contracting Efforts



FAR Definition



“Contingency” means an emergency, involving military forces, caused by natural disasters, terrorists, subversives, or required military operations. Due to the uncertainty of the situation, contingencies require plans, rapid response, and special procedures to ensure the safety and readiness of personnel, installations, and equipment.



FAR Definition



“Contingency Operation” means a military operation that—

- (1) Is designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or
- (2) Results in the call or order to, or retention on, active duty of members of the uniformed services under section 688, 12301(a), 12302, 12304, 12305, or 12406 of 10 U.S.C., chapter 15 of 10 U.S.C., or any other provision of law during a war or during a national emergency declared by the President or Congress.



DESC



Challenges

- Expedited Contract Actions
- Remote locations
- Infrastructure / product acceptability
- Dangerous delivery conditions
- Mission failure not an option



IRAQ





IRAQ (Military Only)



Unique Requirements:

- Meeting MilSpec Diesel
- Rerouting of Deliveries
- Supply / Transportation Problems
- Customs / Tax Exemption Forms
- Escorts / Border Delays

Solutions:

- Coordinated with customers to convert to commercial specs
- Awarded all or none basis by product
- Alternate sources
- Partnered with Europe office, EUCOM, CENTCOM, and DESC Iraq.



IRAQ Border Backup





Middle East



DEFENSE ENERGY SUPPORT CENTER





Oman and Qatar



Unique Requirements:

- Meeting MilSpec AVGAS
- 55-Gal Drums
- Supply / Transportation
- Customs / Tax Exemption

Solutions:

- Coordinated with AF to convert to commercial specs
- Increased lead time for order placement
- Coordinated with US Embassy



Bosnia and Herzegovina





Bosnia PC&S



Unique Requirements:

- Support jet fuel with Additives, Diesel, Mogas, Avgas and Kerosene to US and 7 FMS customers
- Government furnished injection equipment for FSII, CI and SDA
- Contractor supplied additives
- Operational flexibility

Solutions:

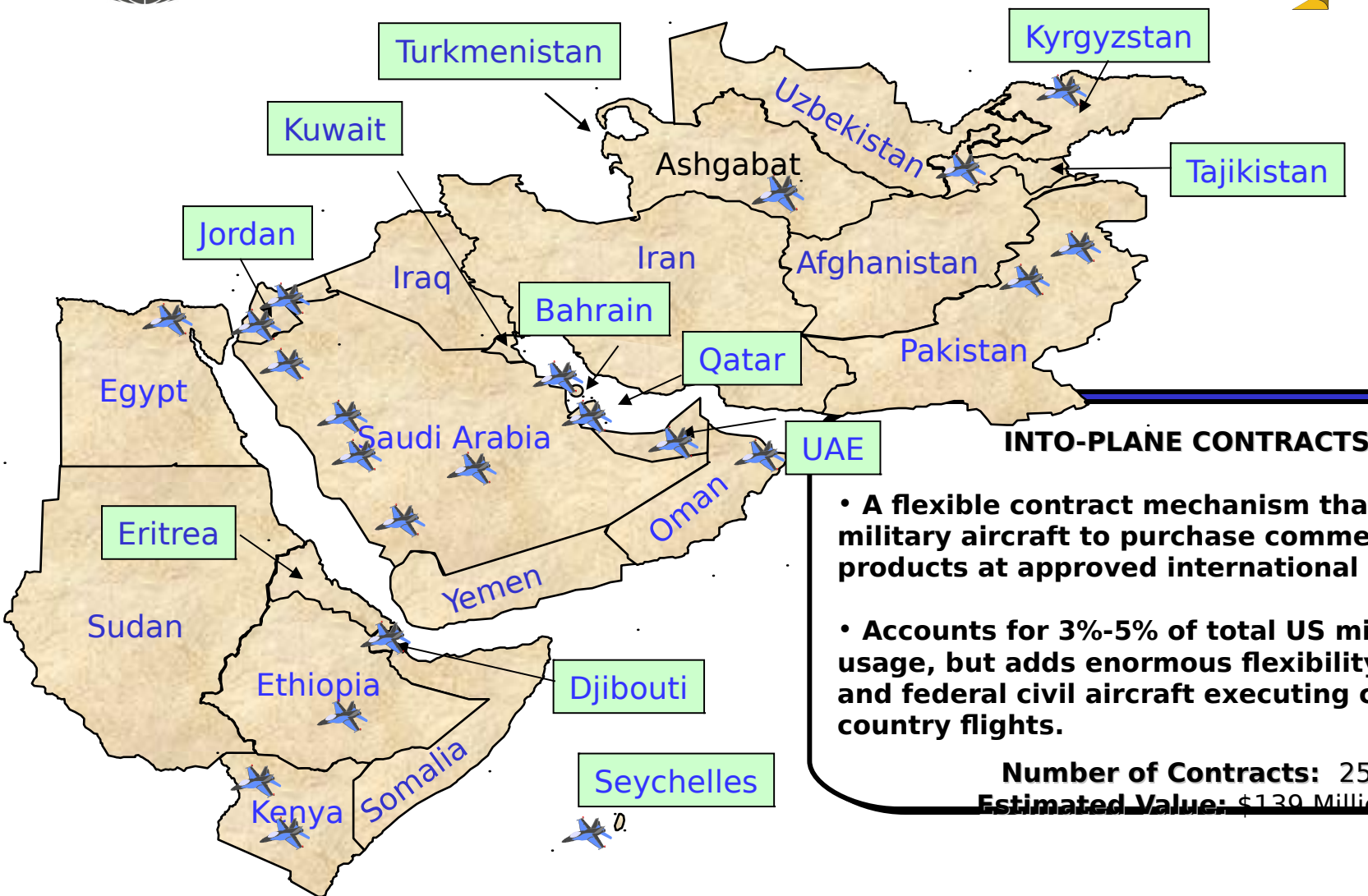
- Best value procurement vs. low price
- Alternate sources of supply and/or methods of delivery
- Awarded large volumes 70/30% to two suppliers to provide flexibility
- Awarded alternate origin delivery methods
- Use of electronic ordering version of "PORTS" (Method to electronically process orders).



Into-Plane Contracts



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"STANS"



Unique Requirements:

- Poor infrastructure
- Fuel product provided TSI – Russian Jet A-1
- Long lead time for re-supply
- No credit card mentality
- Cash – preferred method of payment
- Dushanbe fuel is railed from Baku, Azerbaijan
- Inability to forecast requirements
- Uzbekistan – MOA interfered with commercial contract
- Additives
- Test to Russian Standards
- Sampling / Testing
- Negotiated with Foreign Govts and Into-Plane contractors to establish revolving funds

Solutions:

- Future requirements were forecast based on prior consumption
- Orders needed to be placed one month in advance to ensure shore of refinery production
- Inability to forecast often led to supply best estimates
- Contracts sometimes conflict with existing agreements
- Coordinated efforts to determine acceptability
- Additives shipped to location (FSII, CI, SDA)
- DESC – Middle East assisted with samples and inspections
- First contract to finance payment in Manas



Ashgabat, Turkmenistan



Unique Requirements:

- Political/Cultural Issues
- Govt owned facilities
- Acceptable product
- No problem w/Quality but Corrective Action Requests were issued
 1. Fuel pump goes out (low fuel supply or no fuel)
 2. Hose replacement / repairs (takes months to have shipped in)
- Not financially fit
- Into-Plane Contractors buys material & equipment and ship through customs

Solutions:

- Good strategic planning – A lot of traffic in and out
- Easy to get to this airport
- Facilitator on-site



Example of Poor Infrastructure



- 1000 MT CAPACITY
- 10 TOTAL TANKS
 - 6 FOR TS-1 STORAGE
 - ONLY 4 OPERATIONAL
 - 4 NOT USED
- NOT CLEANED IN 2 YRS.
- STEEL CONSTRUCTION
- ZINC LINED
- BADLY IN NEED OF REPAIR/RENOVATION





Loading Rack



- 2 LOADING RACKS
- 1000 LITERS PER MINUTE FOR EACH RACK





Load Rack #2



- SINGLE POINT
REFUELING NOZZLE





Pumphouse



- 3 PUMPS FOR TS-1
 - ONLY 1 OPERATIONAL
 - 1000 LITER PER MINUTE
- OPERATIONAL PUMP USED FOR
 - OFF LOADING RAIL CARS
 - FUEL RECIRCULATION
 - FUEL ISSUE
- RENOVATION IS BADLY NEEDED





Test Lab



- VERY SMALL
- NEEDS MAINTENANCE
- OLD EQUIPMENT
- LIMITED TESTING CAPABILITIES
 - FLASH POINT
 - DENSITY
 - WATER SEPERATION
 - VISCOSITY
 - SEDIMENT
 - ACID CONTENT
 - PURITY





Railway



- RAILWAY LEADING TO OFF-LOADING POINT
- 1200 MT PER DAY RECEIPT CAPABILITY
- 3 HOURS TO OFF-LOAD 60 MT RAILCAR





Overall Condition



- THE STORAGE DEPOT'S CONDITION IS POOR AND IN NEED OF RENOVATION, REPLACEMENT AND REPAIR OF EQUIPMENT
- CIVIL AVIATION WOULD EXPECT FOR THE U.S. GOVERNMENT TO PAY FOR ALL NEEDED REPAIRS





MOD Refueling Truck



- TRUCKS
 - ALL 5 OPERATIONAL
 - 22,500 LT CAPACITY
- NO HYDRANT SYSTEM





The Caribbean



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Haiti





Port-Au-Prince Haiti



Unique Requirements:

- Establish low requirement for fuel delivery: Jet A-1, Diesel and MOGAS from Port-Au-Prince to Las Cayes
- Security Issues in Southern Haiti
- Poor Infrastructure (fuel/hydrant system)
- Short lead time
- Humanitarian relief and drug intervention
- MILGRP lack tankers and bags to support mission
- MILGRP to provide security w/fuel deliveries
- Storage/Tanker/Refueling must be provided by contractor
- Unanticipated increase in fuel requirement
- Capitalized products and payment issues

Solutions:

- We negotiated with the contractor to provide necessary equipment with weekly resupply
- MILGRP brought in equipment and provided security
- I/P worked around the systems to make the award for capitalized product and worked with DESC-FII and RRF on payment matters to pay invoices off-line



Colombia





Colombia PC&S



Unique Requirements:

- Support activities requirement for Jet A1
- Some product loaded in bladders, transported via air, and off loaded into truck for delivery
- Remote delivery locations
- Increased cost to contractor and subsequently DESC due to drug cartels operating in the delivery areas
- Product in tank is co-mingled with deliveries made to the Columbian Military

Solutions:

- Presently sole source, primarily due to delivery conditions/dangers
- 2-year program cycle through May 05
- Award all items as FOB Destination
- Engage activity for '05 procurement when seeking additional sources of supply
- Scheduled meeting w/SOUTHCOM to further evaluate program



Southeast Asia



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Philippines





Philippines



Unique Requirements:

- US Embassy in Manila Blanket Purchase Agreement executed on behalf of DESC to support US Military exercises in Zamboanga expired December 2003
- Taxes-Several offerors cannot obtain upfront tax exemptions to delivery tax free fuel
- Competition
- Payment Processing

Solutions:

- DESC provided continuous fuel support via open market purchases directly with a Philippine' supplier until long term contract established 30 March 2004
- Offers requested to submit proposals without taxes. May require DESC's assistance in seeking reimbursement to vendors that cannot obtain upfront exemptions.
- Exploring several options, including DESC agreeing to pay the taxes in order to spur added competition
- Manual correction of Invoices and inventory documents with Legal approval. (Possible Alternative: use of electronic ordering version of "PORTS" (Method to electronically process orders).